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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

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20549

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7-8-04

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FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING May 1, 2003 AND ENDING April 30, 2004
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Lurie Besikof Lapidus Private Investment Banking, LLC

OFFICIAL USE ONLY
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

2501 Wayzata Boulevard

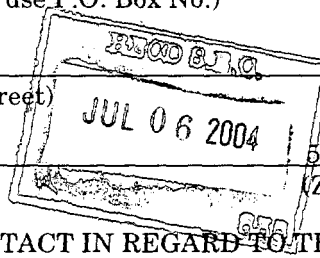
(No. and Street)

Minneapolis

(City)

Minnesota

(State)



55405

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Justin B. Besikof

612-381-8879

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Rubin, Brown, Gornstein & Co. LLP

(Name - if individual, state last, first, middle name)

One North Brentwood

(Address)

Clayton

(City)

Missouri

(State)

63105

(Zip Code)

CHECK ONE:

☒

Certified Public Accountant

☐

Public Accountant

☐

Accountant not resident in United States or any of its possessions.

PROCESSED
JUL 13 2004

THOMSON
FINANCIAL

FOR OFFICIAL USE ONLY

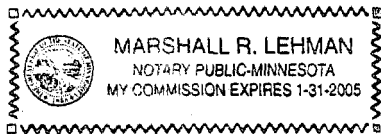
* Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

SEC 1410 (06-02)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

OATH OR AFFIRMATION

I, Justin B. Besikof, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Lurie Besikof Lapidus Private Investment Banking, LLC, as of April 30, 2004, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



Marshall R. Lehman
Notary Public 6/30/04

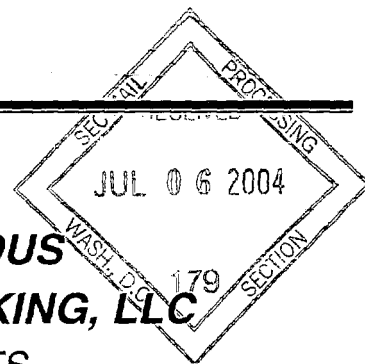
Justin B. Besikof
Signature
President
Title

This report** contains (check all applicable boxes):

- ☒ (a) Facing page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Cash Flows
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☒ (o) Independent Auditor's Report on Internal Accounting Control.

** For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

LURIE BESI KOF LAPIDUS
PRIVATE INVESTMENT BANKING, LLC
FINANCIAL STATEMENTS
APRIL 30, 2004



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Independent Auditor's Report

The Member

Lurie Besikof Lapidus Private Investment Banking, LLC
Minneapolis, Minnesota

We have audited the accompanying statement of financial condition of Lurie Besikof Lapidus Private Investment Banking, LLC as of April 30, 2004, and the related statements of income, changes in member's equity, and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lurie Besikof Lapidus Private Investment Banking, LLC as of April 30, 2004, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Rubin, Brown, Gornstein & Co. LLP

June 22, 2004

**LURIE BESI KOF LAPIDUS PRIVATE
INVESTMENT BANKING, LLC**

**STATEMENT OF FINANCIAL CONDITION
April 30, 2004**

Assets

Cash	\$ 39,462
Accounts Receivable	8,875
	\$ 48,337

Liability And Member's Equity

Liability - Due To Parent	\$ 6,101
Member's Equity	42,236
	\$ 48,337

**LURIE BESIKOF LAPIDUS PRIVATE
INVESTMENT BANKING, LLC**

**STATEMENT OF INCOME
For The Year Ended April 30, 2004**

Merger And Acquisition Fees	\$ 435,307
Operating Expenses	<u>176,096</u>
Net Income	<u><u>\$ 259,211</u></u>

**LURIE BESIKOF LAPIDUS PRIVATE
INVESTMENT BANKING, LLC**

**STATEMENT OF CHANGES IN MEMBER'S EQUITY
For The Year Ended April 30, 2004**

	Member's Capital	Accumulated Deficit	Total Member's Equity
Balance - May 1, 2003	\$ 61,849	\$ (38,824)	\$ 23,025
Dividends To Parent	—	(240,000)	(240,000)
Net Income	—	259,211	259,211
Balance - April 30, 2004	\$ 61,849	\$ (19,613)	\$ 42,236

**LURIE BESI KOF LAPIDUS PRIVATE
INVESTMENT BANKING, LLC**

NOTES TO FINANCIAL STATEMENTS

April 30, 2004

1. Description Of Business And Summary Of Significant Accounting Policies

Description Of Business

The Company is a securities broker/dealer registered with the Securities and Exchange Commission (SEC), and regulated by the National Association of Securities Dealers, Inc. (NASD). The Company is primarily an agent for clients in merger and acquisition transactions generally in the midwestern United States.

Use Of Estimates

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that may affect certain reported amounts and disclosures in the financial statements and accompanying notes. Actual results could differ from these estimates.

Accounts Receivable

Management reviews individual accounts as they become past due to determine collectibility. The allowance for doubtful accounts is adjusted periodically based on management's consideration of past due accounts. Individual accounts are charged against the allowance when collection efforts have been exhausted. Management considers all accounts receivable to be collectible.

Income Taxes

The Company is a limited liability company. The only member of the Company is a partnership (the Parent Company). Amounts due for federal and state income taxes are not reflected in the financial statements, but rather the taxable income or loss of the Company is included on the Parent Company's income tax return.

2. Related Party Transactions

The Company shares office facilities with its Parent Company and various charges are incurred for rent and other administrative expenses, which amounted to \$142,608 in 2004.

**LURIE BESI KOF LAPIDUS PRIVATE
INVESTMENT BANKING, LLC**

Notes To Financial Statements *(Continued)*

3. Net Capital Requirement

The Company is subject to the Securities and Exchange Commission (SEC) Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires the ratio of aggregate indebtedness to net capital, both as defined, not to exceed 15 to 1 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). Net capital and the related net capital ratio fluctuate on a daily basis; however, at April 30, 2004, the net capital ratio was .18 to 1 and net capital was \$33,361, which exceeded the minimum capital requirement by \$28,361.

The Company is exempt from Rule 15c3-3 of the Securities and Exchange Commission since the Company does not carry security accounts for customers or perform custodial functions relating to customer securities. Therefore, the Company is not required to make a periodic computation of the reserve requirements for the exclusive benefit of customers.

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**Independent Auditor's Report - Supplementary
Information Required By Rule 17A-5 Of
The Securities And Exchange Commission**

The Member
Lurie Besikof Lapidus Private Investment Banking, LLC
Minneapolis, Minnesota

We have audited the accompanying financial statements of Lurie Besikof Lapidus Private Investment Banking, LLC as of and for the year ended April 30, 2004, and have issued our report thereon dated June 22, 2004. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information on page 11 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17a-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Rubin, Brown, Gornstein & Co. LLP

June 22, 2004

**LURIE BESI KOF LAPIDUS PRIVATE
INVESTMENT BANKING, LLC**

COMPUTATION OF NET CAPITAL

April 30, 2004

Net Capital:

Member's equity	\$ 42,236
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Deductions:

Nonallowable assets:

Accounts receivable	8,875
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Net Capital	<u><u>\$ 33,361</u></u>
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Computation Of Net Capital Requirement:

Minimum net capital required	<u><u>\$ 5,000</u></u>
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Excess Net Capital	<u><u>\$ 28,361</u></u>
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Aggregate Indebtedness	<u><u>\$ 6,101</u></u>
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Ratio Of Aggregate Indebtedness To Net Capital	<u><u>.18 to 1</u></u>
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**Reconciliation With Company's Computation Of
Net Capital (Included In Part II Of Form X-17a-5)**

Net Capital, As Reported In Company's Part II

Focus Report	\$ 33,361
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Net Audit Adjustments

Net Capital, Per Audited Statement	<u><u>\$ 33,361</u></u>
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**Report On Internal Control Required By
SEC Rule 17a-5 For A Broker-Dealer Claiming
An Exemption From SEC Rule 15c3-3**

The Member
Lurie Besikof Lapidus Private Investment Banking, LLC
Minneapolis, Minnesota

In planning and performing our audit of the financial statements and supplemental schedule of Lurie Besikof Lapidus Private Investment Banking, LLC, for the year ended April 30, 2004, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3 (a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons
2. Recordation of differences required by Rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be a material weakness as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at April 30, 2004, to meet the SEC's objectives.

The Member

Lurie Besikof Lapidus Private Investment Banking, LLC

This report is intended solely for the information and use of the member, management, the SEC, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Rubin, Brown, Gornatein & Co. LLP

June 22, 2004